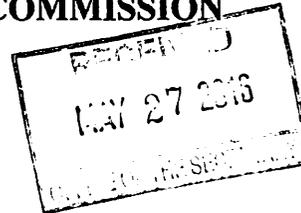


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3 **UNITED STATES OF AMERICA**
4 **Before the**
5 **SECURITIES AND EXCHANGE COMMISSION**



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7
8
9
10 **In the Matter of:**

11 **BioElectronics Corporation**
12 **IBEX, LLC**
13 **St. John's LLC**
14 **Andrew J. Whelan, CPA**
15 **Robert P. Bedwell, CPA**

16 **Respondents.**

Administrative Proceeding
File No. 3-17104

DECLARATION OF
MARY WHELAN

17
18
19
20 **Stanley C. Morris**
21 **CORRIGAN & MORRIS LLP**
22 **201 Santa Monica Blvd., Suite 475**
23 **Santa Monica, CA 90401**
scm@cormorllp.com
310.394.2828
310.394.2825

24 *Attorneys for Respon*

25 **DECLARATION OF MARY WHELAN**

1
2 I, Mary Whelan, declare and state as follows:

3 1. I have personal knowledge of the facts set forth herein, and if called as a witness,
4 I would testify competently thereto.

5 2. I respectfully submit this declaration in support of Respondents' Motion for
6 Summary Disposition.

7 3. Since 2002, I have been a member of the Board of Directors of BioElectronics
8 Corporation ("BIEL"). Prior to BIEL I was a Vice President at Lucent Technology and AT&T
9 where I worked for 23 years in various marketing and PR positions.

10 4. I formed eMarkets LLC in 2001 and am the President and Managing Director.
11 eMarkets is a Nevada LLC and has its offices in North Caldwell, NJ. Emarket's clients have
12 included KPMG, New Jersey Institute of Technology and some other small start up firms.

13 5. My affiliation with eMarkets and its related party transactions with BIEL was
14 fully disclosed in BIEL's SEC filings, web site, and the OTC Pink Sheet's web site. See Exh. 3
15 to the Andrew Whelan Declaration.

16 6. In the fall of 2008, I suggested to Andy Whelan that eMarkets should develop a
17 veterinarian braneded product line in my belief that I could market the BIEL anti-inflammation
18 and pain reduction product directly to consumers for animal use.

19 7. In February 2009, I entered into a definitive written distribution agreement with
20 BIEL, and made an initial purchase of 1,500 squares for a cost of \$15,750, paid for by wire from
21 eMarkets Group's bank on Feb 13, 2009. Attached hereto at **Exhibit 1** is a true and correct copy
22 of the February 9, 2010 distribution agreement that eMarkets entered into with BIEL. eMarkets
23 Group took exclusive ownership of the inventory, booked it in its accounts, and began selling it.
24 eMarkets did not, hwoever, take possession of the 1,500 squares. Instead, the product eMarkets
25 purchased from BIEL was separated n a discrete segregated section of BIEL's warehouse. The

1
2 product was maintained at BIEL because under FDA regulations, eMarkets was obligated to
3 store the product at an FDA approved warehouse; and because eMarkets requested that BIEL do
4 so. At eMarkets' direction, BIEL's employees processed the shipping to the end-user to avoid
5 multiple shipment expense to the customer.

6 8. After my initial purchase, I began to have some encouraging discussions with
7 PetSmart, QVC, and Hartz Mountain that led me to believe the product would be successful.

8 9. Because PetSmart, QVC and Hartz Mountain all required that I guarantee
9 sufficient inventory before they would consider placing an order, I became concerned that I
10 might lose one of those important customers. My concern was increased when I learned that
11 BIEL intended to discontinue one product that I felt would be successful.

12 10. My solution was to accept the risk of advance purchase of the product. At no time
13 did I believe that the funds paid were refundable. No such refund request has ever been made nor
14 have any funds been returned. Attached hereto at **Exhibit 2** is a true and correct copy of an email
15 that I sent on March 23, 2010 confirming the arrangement with BIEL's accountant, Esther Ko.

16 11. The fact that eMarkets' product was warehoused in a separate section of BIEL's
17 warehouse was fully disclosed to BIEL's auditor, Robert Bedwell, of Cherry Bekaert, and
18 BIEL's attorneys, and BIEL relied on such professionals in making such disclosures.

19 12. eMarkets initially forecast that it would sell all the product purchased by the end
20 of 2010, but sales later proved to be slower than it anticipated. Although BIEL had booked and
21 actually received all such revenue in 2009, in an abundance of caution, BIEL took remedial
22 action at the end of 2010 to restate its revenue to reflect this fact in its annual report. To date,
23 eMarkets has shipped more than 10,000 of the inventory units purchased.

24 13. eMarkets continues to sell product today.

DISTRIBUTION AGREEMENT

This DISTRIBUTION AGREEMENT is entered into as of February 9, 2009 (the "Effective Date") between BIOELECTRONICS CORPORATION, a Maryland corporation with offices at 4539 Metropolitan Court, Frederick Maryland 21704 (the "Company"), and the eMarkets Group, LLC, a Nevada registered limited liability company, with offices at 19 Hamilton Drive, East, North Caldwell, NJ 07006 (the "Distributor").

RECITALS

A. The Company has developed a proprietary line of products designed to deliver pulsed electromagnetic field therapy through microchip-embedded dermal patch applications for the treatment of a wide range of conditions by promoting soft tissue healing on a cost-effective basis.

B. The Company's line of Products is distributed and the method of affixing the device to the body, under the ActiPatch™ Therapy and the RecoveryRx trade name in models differentiated primarily by the size of the unit, associated method to affix the device to the body, the disease being treated, or the field of use. (the "ActiPatch Models").

C. The Company desires to have the Distributor develop demand for and sell Products for use within the Field of Use (as defined hereunder) worldwide with the exclusion of the territories listed in Schedule C. and to appoint the Distributor to act as the exclusive distributor of Products in the Territory upon the terms and conditions of this Agreement. The Distributor will develop, maintain, and defend a unique product Distributor Brand Name for the veterinary market including all retail outlets focused on sales of products for pets, horses and other domestic animals.

D. The parties desire to provide for the Distributor's promotion and sale of Products to the Veterinary Market on the terms and conditions of this Agreement.

Accordingly, the parties hereby agree as follows:

AGREEMENT

1. *Definitions and Construction.*

1.1 *Definitions.* As used in this Agreement, the following terms have the respective meanings set forth below:

"ActiPatch Brand Features" has the meaning set forth in Recital B.

"ActiPatch Models" has the general meaning set forth in Recital B, with Product and technical specifications set forth in Schedule A for the ActiPatch Models comprising the initial Covered Products.

"Additional Products" has the meaning set forth in Section 2.2.

"Affiliate" means, with respect to any Person, any other Person that directly or indirectly controls, is controlled by, or is under common control with the Person in question.

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"Agreement" means this Distribution Agreement, as amended from time to time.

"Applicable Law" means, with respect to a Party, any legislation, regulation, rule or procedure passed, adopted, implemented or amended by any federal, state, local or foreign governmental or legislative body, or any notice of a decision, finding or action by any federal, state, local or foreign governmental agency, court or other administrative body, in each case to the extent it has become effective, binding on the Party, its assets or operations or applicable to the subject matter or its performance of this Agreement, from and after the date compliance therewith is mandated by the terms thereof.

"Appointment" has the meaning set forth in Section 2.1.

"Company" means BioElectronics Corporation, a Maryland Corporation, and its successors and permitted assigns.

"Company Support Services" has the meaning set forth in Section 6.

"Veterinary Market" means (a) licensed health care providers practicing medicine or otherwise providing healthcare services who sell or provide related products to patients of their practices, (b) hospitals, clinics and other facilities that provide health care under the direction of licensed health care providers and that sell or provide related products to their patients or clients. It further means retail sales of the veterinary product line in all global territories except those excluded in Schedule C.

"Covered Product Improvements" means any enhancements, refinements or other improvements to the Covered Products developed by the Company during the Term.

"Covered Products" means ActiPatch Therapy products described in Schedule A, (b) any Additional Products included in the Appointment pursuant to Section 2.2 and (c) any Covered Product Improvements.

"Distribution Year" means (a) the twelve-month period commencing on the Effective Date, and (b) each successive twelve-month period during the Term.

"Distributor" means Mary K. Whelan, eMarkets Group LLC, and its successors and permitted assigns.

"Effective Date" means the date of this Agreement first set forth above.

"FDA" means the United States Food and Drug Administration.

"Field Of Use" means the use of the Product or New Product (as defined in Section 2.2) related to veterinary medicine or procedures. Any sales to (a) veterinarian practicing, who sell or provide related products to patients of their medical practices, (b) hospitals, clinics, and other facilities that perform procedures under the direction of veterinarian that see or provide related products to their patients and clients and (c) retail outlets that provide products for pets, horses and other domestic animals, shall be considered to be within the Field of Use.

"Indemnified Party" and "Indemnifying Party" have the respective meanings set forth in Section 9.1.

"Information" has the meaning set forth in Section 8.1.

"Initial Purchase Commitment" has the meaning set forth in Section 4.1.

"Know How" means any and all processes, techniques, methods, compositions, formulae, technical data and other information, whether or not a trade secret.

"Outside Territory" means any jurisdiction outside the Territory or Field of Use where the Covered Products may be sold in accordance with Applicable Law.

"Party" means the Company, the Distributor or their respective successors or permitted assigns.

"Person" means an individual, any form of business enterprise, including a corporation, Limited Liability Company, partnership or limited partnership, and any other juridical entity or its representative, including a trust, trustee, estate, custodian, administrator, personal representative, nominee or any other entity acting on its own behalf or in a representative capacity.

"Products" means pulsed electromagnetic devices for veterinary medicine.

"Proprietary Rights" means all legal, equitable or moral intellectual property rights or proprietary rights or benefits, including copyrights, patents and patent applications, formulae, processes, moral rights, trademarks, trade names, rights of priority, mask and derivative work rights, Know How and trade secret rights.

"Term" has the meaning set forth in Section 10.1.

"Territory" means the states of the United States of America.

"Volume Targets" has the meaning set forth in Section 2.3.

1.2 *Construction.* Unless otherwise expressly provided herein, all references to Recitals, Sections or Schedules refer to recitals, sections or schedules to this Agreement. The Schedules are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Capitalized terms used in the Schedules and not otherwise defined shall have the respective meanings ascribed to them in this Agreement.

2. *Appointment of the Distributor*

2.1 *Sales of Covered Products to the Veterinary Market.* Subject to the terms and conditions set forth in this Agreement, the Company hereby appoints the Distributor to act as its distributor of the Covered Products to the Veterinary Market in the Territory during the Term (the "Appointment").

2.2 *Additional Covered Products.* If the Company develops additional Products (other than its ActiPatch Models) for sale to the Licensed Health Care Providers Market ("Additional Products") at any time during the Term, it will give timely written notice to the Distributor in each instance, describing the Additional Product in reasonable detail, including its regulatory status, and specifying the projected launch date and the offered terms to the Distributor hereunder. The Distributor may add the Additional Product to the Appointment as a Covered

Product for purchase from the Company on the offered terms and subject to the conditions set forth in this Agreement and Schedule A shall be deemed to be amended accordingly for all purposes of this Agreement.

2.3 *Initial Exclusivity Conditions.* The distributor shall be required to purchase from the Company as its initial purchase not less than 1,500 (one thousand five hundred units). The exclusivity of the Appointment for the Provider Market in the Territory is (a) conferred for the first Distribution Year in reliance on the Distributor's 1st Distribution Year Commitment, and (b) conditioned for each successive Distribution Year on the Distributor's fulfillment of the volume benchmarks set forth below (each, a "Volume Target") for its purchase of Covered Products from the Company on the terms set forth in Section 4 during the immediately preceding Distribution Year.

Appointment Exclusivity Volume Targets

10,000	units in the 1 st Distribution Year
25,000	units in the 2 nd Distribution Year
50,000	units in the 3 rd Distribution Year
75,000	units in the 4 th Distribution Year

2.4 *Remedies for Failure to Meet Exclusivity Conditions.* If the Distributor fails to fulfill the Exclusivity Condition for any Distribution Year and the failure is not caused by the Company's inability to deliver Covered Products in accordance with Section 4, the Company may elect, in its sole discretion, to either implement non-exclusive distribution arrangements with third parties for sales of the Covered Products to the Provider Market in the Territory or terminate this Agreement pursuant to Section 10.3.

2.5 *Other Markets.* The Distributor acknowledges that the Company may sell any of its Products, directly or through third parties, under the ActiPatch or RecoveryRx Brand Features or otherwise, outside the Licensed Health Care Providers Market in the Territory and to all markets in the Outside Territory, at any price and Product configuration, as it elects in its sole discretion.

3. Promotion of Covered Products

3.1 *Promotion of Covered Products.* Throughout the Term, the Distributor will use commercially reasonable efforts and commit adequate capital and human resources to promote, advertise, and market the Covered Products in the Veterinary Market.

3.2 *Promotional Materials.* As promptly as practicable after the Effective Date, the Distributor will produce marketing and promotional materials featuring the Covered Products in form and substance reasonably acceptable to the Company. Throughout the Term, the Company will provide the Distributor with a current version of its brochures for Covered Products and any advertising and other promotional materials the Company may in its sole discretion develop for Covered Products. No medical claims for a Covered Product or its underlying technology included in the marketing and promotional materials developed or used by the Distributor shall be inconsistent with those included in the Company's brochures or other promotional materials for that Covered Product.

4. Purchase of Covered Products

4.1 *Orders.* The Distributor will submit its orders for Covered Products in writing to the Company, whether by U.S. mail, facsimile, electronic communications or as otherwise mutually agreed. Only orders accepted and confirmed in writing by the Company will be deemed valid and binding on the Parties.

4.2 *Payment.* The Distributor will pay the Company for each unit of the Covered Products ordered hereunder at its "Unit Price to Distributor" listed in Schedule A. Orders accepted and confirmed in writing by the Company shall be due and payable by Distributor on net 30-day terms, FOB factory. Any overdue payments hereunder shall bear interest from the due date at 1.5% per month.

4.3 *Delivery.* The Company will use commercially reasonable efforts to ensure timely bulk shipments of Covered Products in accordance with the delivery terms of orders for Covered Products accepted and confirmed in writing by the Company hereunder.

4.4 *Lot Tracking System.* Each shipment of Covered Products delivered to the Distributor will be labeled to reflect its lot number assigned by the Company in accordance with its lot tracking system. The Distributor will coordinate the labeled lot numbers with the serial number tracking protocols it maintains for Covered Products in accordance with Section 5.2.

4.5 *Non-Competition.* The Distributor shall not, directly or indirectly through any vehicle or means, promote or sell any products or lines of products during the Term that are similar to the Covered Products in form or operation or that otherwise compete with the Covered Products.

5. Processing of Covered Products

5.1 *Processing of ActiPatch Units.* The Company will fill orders for ActiPatch Models hereunder by bulk shipping to the Distributor separately packaged units with the specifications for the particular ActiPatch Model set forth in Schedule A. The packaging and labeling of all ActiPatch Models shipped hereunder will include the ActiPatch Brand Features and all other labeling content or notices required for compliance with Applicable Law.

5.2 *Product Tracking.* Covered Products shipped to customers by or for the account of the Distributor hereunder shall include serial numbers based on, the Distributor's tracking protocols.

5.3 *Recordkeeping.* The Distributor will maintain, throughout the Term and for not less than six years thereafter, complete and accurate books of account and records (including documents supporting entries in the books of account) of all transactions relating to its sales of Covered Products. In the event the Company notifies the Distributor of a recall of any Covered Products, the Distributor will make those records available to the Company and otherwise cooperate with and assist the Company in effecting the recall at the Company's expense.

5.4 *ActiPatch Brand Features and Proprietary Rights.* The Distributor will not at any time or in any manner (a) use the ActiPatch Brand Features in any advertising, labeling, packaging or printed matter of any kind without the Company's prior written consent, (b) take any other action adversely affecting the Company's Proprietary Rights in the Products, the ActiPatch Brand Features or any registration thereof or which, directly or indirectly, reduces the

value of the ActiPatch Brand Features or detracts from the Company's reputation, (c) take any action in connection with the promotion and distribution of Covered Products otherwise than in compliance with Applicable Law or (d) register or apply to register any ActiPatch Brand Features or any trademark or logo similar thereto anywhere in the world. If the Distributor learns of any infringement or replication of the ActiPatch Brand Features, it will promptly notify the Company thereof and cooperate with the Company in all respects to remedy the infringement.

6. *Company Support Services.* Subject to reasonable notice and scheduling considerations, the Company will perform the support obligations specified in this Section 6 ("Company Support Services"), at no additional cost to the Distributor, throughout the Term.

6.1 *Training.* The Company will use reasonable commercial efforts to make its marketing and technical personnel available at mutually acceptable times and locations to provide training and product education for the Covered Products to members of the Distributor's marketing and sales staff on all aspects of the use and operation of the Covered Products.

6.2 *Customer Support.* The Distributor shall have primary responsibility for managing the satisfactory resolution of customer support issues for Covered Products. Upon reasonable prior notice, the Company will make its technical personnel available, through telephonic conferencing facilities, to assist the Distributor in resolving support issues for Covered Products raised by its customers.

6.3 *Covered Product Improvements* If the Company develops Covered Product Improvements, they will be integrated into the Covered Products shipped to the Distributor hereunder, commencing upon their initial availability.

7. Representations and Warranties

7.1 *Representations and Warranties of the Company.* The Company represents and warrants to the Distributor that (a) this Agreement has been duly authorized by all requisite corporate action on its behalf and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, (b) its execution and performance of this Agreement will not violate any Applicable Law or any contract under which it is bound and (c) it owns or has valid licenses to all Proprietary Rights relating to the Covered Products and has the right to grant the distributorship and license rights provided herein without infringing any Proprietary Rights of third parties.

7.2 *Representations and Warranties of the Distributor.* The Distributor represents and warrants to the Company that (a) this Agreement has been duly authorized by all requisite corporate action on its behalf and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, (b) its execution and performance of this Agreement will not violate any Applicable Law or any contract under which it is bound and (c) it has the infrastructure and other resources necessary to perform its obligations hereunder.

8. Confidentiality

8.1 *Confidentiality Undertaking.* Each Party acknowledge that its performance of this Agreement will entail the receipt of confidential information of the other Party, including technical specifications for the Products and information about business methods, prospects, costs, markets, pricing policies, operational methods, concepts, technical processes, applications and other trade secrets, as well as other business affairs and methods not generally available to

the public (collectively, "Information"). Each Party agrees that, subject to the exceptions set forth below, during the term of this Agreement and for five years thereafter, it will (a) keep all Information of the other Party strictly confidential, (b) not disclose any Information of the other Party, without its consent, to any of its employees or agents or any of its Affiliates' employees or agents, other than those who have a need to know and are subject to confidentiality obligations substantially similar to those provided herein, (d) not use any Information of the other Party, except as provided herein, for its own use or benefit or the use or benefit of any Affiliate, (e) take all reasonable steps necessary to prevent any breach of the foregoing obligations by any of its employees or agents or any of its Affiliates' employees or agents who receive or have access to Information of the other Party and (f) not modify, reverse engineer, decompile, create other works from or disassemble any software programs or firmware contained in the Information of the other Party.

8.2 *Exceptions.* For purposes of this Section 8, Information will not include information that (a) is in the public domain at the time of disclosure to a Party, (b) becomes part of the public domain after disclosure to a Party through no fault, act or failure to act, error or breach of this Section 8 by the recipient or (c) is required by order, statute or regulation of any government authority to be disclosed to any court or other body, *provided* that the recipient shall notify the disclosing Party thereof to afford it the opportunity to obtain a protective order or other relief.

8.3 *Remedies for Breach.* Each Party acknowledges that damages at law will be an insufficient remedy in the event that it violates the terms of this Section 8 and that the other Party may apply for and obtain immediate injunctive relief in any court of competent jurisdiction to restrain the breach or threatened breach of its undertakings and covenants contained herein.

9. Indemnification

9.1 *For Breach.* Each Party (an "Indemnifying Party") shall indemnify and hold harmless the other Party and its officers, directors, shareholders and employees (collectively, the "Indemnified Party") from and against any and all judgments, penalties, fines and amounts paid in settlement, including any interest assessments or other charges payable in connection therewith, and all reasonable expenses, including attorneys' fees, retainers and disbursements, court costs, experts' fees and travel expenses, incurred by the Indemnified Party in connection with any threatened, pending or completed action, claim, suit, investigation, hearing or other proceeding, whether civil, criminal, administrative, arbitral or investigative, any appeal therein or any inquiry or investigation that could lead thereto, to which the Indemnified Party is, was or at any time becomes a party, arising from the breach by the Indemnifying Party of its representations and warranties under Section 7 or its obligations under Section 8.

9.2 *For Product Defects.* The Company shall indemnify and hold the Distributor harmless from and against any liabilities, claims, causes of action, suits, damages and expenses (including reasonable attorneys' fees) arising out of alleged inherent defects in any of the Covered Products existing at the time they are sold by the Company to the Distributor.

9.3 *Defense of Claims.* The Indemnifying Party under this Section 9, at its sole cost and expense and with counsel reasonably acceptable to the Indemnified Party, will take reasonable and appropriate action to defend any suit, action, claim or proceeding subject to its indemnification obligation hereunder. An Indemnifying Party will not defend any claim, action, suit or proceeding in any way that would adversely affect or be in derogation of any rights of the Indemnified Party, including its Proprietary Rights.

9.4 *Assumption of Defense.* In the event that an Indemnified Party reasonably determines that the Indemnifying Party has not taken appropriate steps to defend its interests in any suit, action, claim or proceeding giving rise to its indemnification rights under this Section 9, the Indemnified Party shall have the right, at the sole cost and expense of the Indemnifying Party, to assume the defense thereof with counsel of its own choosing, *provided* that the Indemnifying Party shall not be responsible under any circumstances for the costs of one counsel for all Indemnified Parties.

9.5 *Settlement of Claims.* No settlement or discharge of any action, suit, claim or proceeding shall be made by an Indemnifying Party without the prior written consent of the Indemnified Party, which consent shall not be unreasonably withheld or delayed if the settlement or discharge includes a general release by all adverse parties in favor of the Indemnified Party.

10. Terms and Termination

10.1 *Term.* The Term shall commence on the Effective Date and continue until the end of the third Distribution Year, subject to earlier termination pursuant to Section 10.2.

10.2 *Termination for Breach.* Either Party may terminate this Agreement upon notice that the other Party has committed a material breach of one or more of its material obligations hereunder and has failed to cure the breach within 30 days of written notice by the non-breaching Party, specifying the nature of the breach in reasonable detail.

10.3 *Termination for Failure to Meet Exclusivity Condition.* The Company may terminate this Agreement pursuant to Section 2.4 within ninety (90) days after the end of any Distribution Year upon notice that the Distributor has failed to satisfy its Exclusivity Condition for that Distribution Year.

10.4 *Effect of Termination.* The obligations of the Parties under Sections 4, 5, 8, and 9 shall survive the expiration or termination of this Agreement.

11. *Limitation of Liability.* Any liability arising under this Agreement, under any cause of action or theory of liability, shall be limited to direct, objectively measurable damages, which shall not exceed, under Section 9 or otherwise, for any single matter, claim or proceeding, the greater of \$100,000 or the aggregate amount of payments made by the Distributor hereunder during the twelve months preceding the commencement of the matter, claim or proceeding. No Party shall have any liability to any other Party or any third party for any indirect, special, consequential or speculative damages, including lost profits, lost data, loss of opportunity, loss of use or costs of procuring substitute goods or services, business interruptions and loss of profits, irrespective of any advance notice of the possibility thereof. These limitations shall apply notwithstanding the failure of the essential purpose of any limited remedy.

12. *Publicity.* Except as provided herein, neither Party will use the name of the other Party in any press release or other public announcement about the subject matter of this Agreement without the other Party's consent, which shall not be unreasonably withheld or delayed.

13. *Independent Contractors; Expenses.* Each Party will act as an independent contractor hereunder, with sole responsibility for its own operations, personnel and operating expenses, and nothing contained in this Agreement will be construed to create a partnership or

joint venture between the Parties. Except as otherwise provided herein, each Party shall bear its own expenses incurred in its performance of this Agreement.

14. *Assignability.* This Agreement and a Party's rights and obligations hereunder may not be assigned or transferred for any reason without the written consent of the other Party, which shall not be unreasonably withheld or delayed if the proposed assignee provides the other Party with (a) representations and warranties to the effect set forth in Section 7.1, if the Company is the proposed assignor, or in Section 7.2, if the Distributor is the proposed assignor, and (b) an assumption of the proposed assignor's obligations under this Agreement, in form and substance reasonably satisfactory to the other Party.

15. *Waiver of Provisions.* The waiver of compliance at any time with any of the provisions, terms or conditions contained in this Agreement shall not be considered a waiver of the provision, term or condition itself or of any of the other provisions, terms or conditions hereof. Any waiver hereunder must be expressed and in writing by the Party agreeing to waive any right hereunder.

16. *Captions.* The headings and captions in this Agreement and the Schedules are for convenience and identification only and are in no way intended to define, limit or expand the scope and intent of this Agreement or any provision hereof.

17. *Integration.* This Agreement, including the Schedules, contains the entire agreement of the Parties with respect to the subject matter hereof.

18. *Amendment.* This Agreement may not be amended or modified except by a written instrument signed by both Parties.

19. *Governing Law.* This Agreement and the rights and obligations of the Parties shall be governed by and construed in accordance with the laws of the State of Maryland, excluding any conflict of laws rules of that State or other principle that might refer the governance or construction of this Agreement to the laws of another jurisdiction.

20. *Binding Effect.* The terms, conditions and provisions of this Agreement and all obligations of the Parties shall inure to the benefit of, and be binding upon, the Parties and their respective successors and permitted assigns.

21. *Severability.* The invalidity or unenforceability of any provision of this Agreement shall not affect any other provision hereof, and the remainder of this Agreement shall be construed as if the invalid or unenforceable provision were omitted.

22. *Notices.* Except as otherwise provided in Section 4.1, all demands, notices, and communications provided for in this Agreement shall be in writing and shall be either personally delivered, mailed by registered or certified mail (return receipt requested) or sent by reputable overnight courier service (delivery charges prepaid) to the applicable address specified below, or at any new address that the recipient Party has specified by prior written notice to the sending Party. Any notice complying with these requirements shall be deemed to have been given when delivered personally, on the third business day after deposit postage pre-paid in the U.S. mail or on the business day after deposit with a reputable overnight courier, as the case may be.

If to the Distributor:
Mary K. Whelan

eMarkets Group, LLC
19 Hamilton Drive, East
North Caldwell, NJ 07006

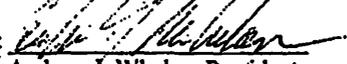
If to the Company:

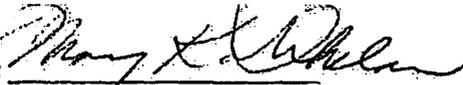
BioElectronics Corporation
4539 Metropolitan Court
Frederick, MD 21704
Attention: Andrew J. Whelan, President & CEO

23. *Counterparts.* This Agreement may be executed in any number of separate counterparts that together will constitute but one and the same Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date and year first above written.

BIOELECTRONICS CORPORATION

By: 
Andrew J. Whelan, President

By: 
Mary K. Whelan
President and Managing Director
eMarkets, I.I.C.

Schedule A

COVERED PRODUCTS

Covered Product Specifications and Unit Prices

Item Number	Description	Distributor Cost
205	Small Crescct	\$ 10.50
212	Large Square	\$ 10.50
239	5cm Loop Device	\$ 10.50
238	8cm Loop Device	\$ 10.50
240	12cm Loop Device	\$ 10.50

Schedule B

Covered Product Technical Specifications

Power supply..... 3 volts DC
Nominal carrier frequency 27.1 MHz
Pulse frequency..... 1,000 per second
Pulse duration..... 100 microseconds
Peak ⁽¹⁾ spatial power density 75 microwatts/cm²
Maximum internal voltage 5 volts

(1) Peak spatial power density is the RF power per unit area, measured during each pulse of the carrier frequency.

Schedule C

This agreement shall exclude the following countries in which pre-existing relationships exist:

- Canada
- United Kingdom
- Italy
- Scandanavia
- Korea
- Saudi Arabia

Right to use the veterinary brand, "HealFast Therapy" shall be granted to those distributors for an annual license fee and brand co-marketing agreement.

From: esther ko [REDACTED]
Subject: Re: eMarkets' transaction with BioElectronics
Date: March 23, 2010 11:59:43 AM EDT
To: Mary Whelan [REDACTED]
Cc: awhelan@bielcorp.com, Sherri <smcer@bielcorp.com>

Thanks very much Mary.

so it means that you held titles of the goods as at 12.31.09 even though they are still housed in BioElectronics' warehouse? Just want to confirm on this piece of info.

Esther

-- On Tue, 3/23/10, Mary Whelan [REDACTED] > wrote:

From: Mary Whelan [REDACTED]
Subject: Re: eMarkets' transaction with BioElectronics
To: "esther ko" [REDACTED]
Cc: awhelan@bielcorp.com, "Sherri" <smcer@bielcorp.com>
Date: Tuesday, March 23, 2010, 10:51 AM

Dear Esther,

I am sorry for the delay in responding to your request for clarification. I have been out of town and busy with customer requests.

Here is the clarification you requested:

As part of my agreement to develop the veterinary market for BioElectronics products, BioElectronics agreed to drop ship orders to customers on demand. I do not have an FDA/ISO certified warehouse or fulfillment capability. When quantities of the models that are of most interest to the Equine market became available (BioElectronics has discontinued manufacturing these models), I decided to make advance purchases of inventory of those models (the Square patch and the Crescent patch) in order to insure that I had adequate supplies on hand for my customers. I anticipate that the goods will have been sold and shipped to customers by December 31, 2010.

I expect there may be other special orders that I will purchase from BioElectronics, take title to the goods, but keep in their certified warehouse in the future.

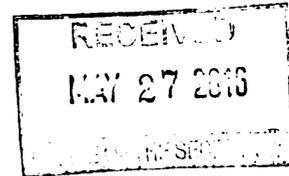
Let me know if you need any further clarification.

Mary K. Whelan
President
eMarkets Group
551-200-5586
[REDACTED]

On Mar 18, 2010, at 2:15 PM, esther ko wrote:

> Hi Mary,

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION



In the Matter of:

BioElectronics Corporation
IBEX, LLC
St. John's LLC
Andrew J. Whelan, CPA
Robert P. Bedwell, CPA

Respondents.

Administrative Proceeding
File No. 3-17104

PROOF OF SERVICE

Stanley C. Morris
CORRIGAN & MORRIS LLP
201 Santa Monica Blvd., Suite 475
Santa Monica, CA 90401
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310.394.2828
310.394.2825

Attorneys for Respondents

CERTIFICATE OF SERVICE

I hereby certify that on May 27, 2016 I served true and correct copies the following documents described as:

1. Respondents' Motion for Summary Disposition
2. Kelly A. Whelan's Declaration in Support of Respondents' Motion for Summary Disposition and Volumes 1-6 Exhibits
3. Andrew J. Whelan's Declaration in Support of Respondents' Motion for Summary Disposition
4. Patricia A. Whelan's Declaration in Support of Respondents' Motion for Summary Disposition
5. Yue Qin's Declaration in Support of Respondents' Motion for Summary Disposition
6. Joseph Noel's Declaration in Support of Respondents' Motion for Summary Disposition

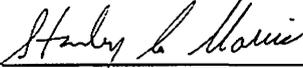
on the interested parties in this action in the manner indicated below.

Securities and Exchange Commission
Office of the Secretary
Attn: Secretary of the Commission Brent J. Fields
100 F Street, N.E.
Mail Stop 1090
Washington, D.C. 20549
Fax: (202) 772-9324
alj@sec.gov (via email)
(via Federal Express Overnight Delivery on 5/26)

The Honorable Cameron Elliot
Office of the Administrative Law Judges
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549
(via email: alj@sec.gov)

Charles Stodghill, Esq.
Paul Kisslinger, Esq.
Division of Enforcement
Securities and Exchange Commission
100 F. Street, N. E.
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Attorneys for Respondent Robert P. Bedwell



Stanley C. Morris